

Tennessee State Board of Education
710 James Robertson Pkwy
Nashville, TN 37243

September 27, 2019

To the Honorable Members of the State Board of Education:

I am writing today on behalf of Green Dot Public Schools Tennessee. On September 17, 2019, the Shelby County Schools (SCS) Board of Education denied our application to open a high quality public charter school in the Whitehaven community of Memphis. I am writing to formally submit Green Dot's appeal to the State Board of Education (SBE) regarding Green Dot Charter K-8 and share why opening this school is in the best interest of families in Whitehaven.

First and foremost, we would like to reiterate the need for additional high quality seats in the Whitehaven community. Having operated two high schools in Whitehaven for the past five years, we hear firsthand from parents and community members about the need for additional high quality elementary and middle school seats. Students continuously enter our high schools multiple grade levels behind in English and Math. In the 2018-19 school year, only 6% of students entered ninth grade on grade level in reading, with the majority of students entering at an elementary reading level. This trend is similar in Math with less than 15% of students entering on grade level. This trend is further highlighted in the Regional Seat Analysis SCS released in February 2019. In this analysis, SCS called for an additional 3,987 elementary school and 2,010 middle school high quality seats in Southwest Memphis, identified as the Whitehaven and Westwood communities. Green Dot Charter K-8 would create 1,260 additional high quality elementary and middle school seats specifically designed to meet the needs of the Whitehaven community.

Our experience operating schools in Memphis has prepared us for the opportunity to run a high quality K-8 program. In particular, the track record of success at Bluff City High School, the independent high school authorized by the SBE, is outstanding. Bluff City High School is the only high school in the Hickory Hill community of Memphis that has received the highest rating on the Tennessee Value-Added Assessment System (TVAAS) for two years in a row. Green Dot is confident that Green Dot Charter K-8 would produce similar remarkable results.

Within its denial of Green Dot Charter K-8's application, SCS recognized a number of positive contributions Green Dot Charter K-8 would offer the Whitehaven community.

1. Inclusive Academic Model - Central to Green Dot is its commitment to all students. Green Dot's mission is to transform public education so all students graduate prepared for college, leadership and life. Throughout the application process, SCS recognized Green Dot's commitment to historically under-served communities, students with disabilities and English Learners. SCS also recognized the success of Green Dot's responsive tiered-intervention program designed to meet the academic and social emotional needs of all students.
2. Sound Operations - SCS recognized that Green Dot's experience operating five schools in Tennessee has ensured it has developed the operational capacity to successfully operate a high quality academic program. In particular, SCS recognized Green Dot's solid governance structure, ability to recruit teachers, professional development program as well as other operations plans.
3. Financial Readiness - Green Dot's application includes evidence of its experience and capacity to create detailed financial procedures, policies, and processes for accounting, payroll, and budgeting on the school-level and network-level. Additionally, SCS recognized Green Dot's ability to

- implement the financial plan successfully, including capacity in areas such as financial management, fundraising, and accounting.
4. History of Academic Success - SCS recognized that 3 out of Green Dot's 5 schools in Memphis received 5 out of 5s on the TVAAS. Additionally, SCS recognized year over year improvement in both English and Math proficiency.

Included below are itemized responses to SCS's reasons for denial. As outlined below, Green Dot stands behind Green Dot Charter K-8's charter application and its ability to run a high quality school in Whitehaven.

- Academic Plan Design and Capacity
 - Discipline Policy - SCS asserted the discipline policy included in Green Dot's application did not reference schools authorized by SCS. If approved by the SBE, Green Dot Charter K-8 would implement the discipline policy already approved by the SBE, which references appeal processes for schools authorized by the SBE.
 - Need for Additional Seats in Whitehaven - SCS asserted that Whitehaven is oversaturated with elementary and middle school seats. In response, Green Dot would like to draw attention to SCS's Regional Seat Analysis, which stated the need for an additional 3,987 and 2,010 high quality elementary and middle school seats, respectively. Green Dot Charter K-8 would only mitigate for a portion of that need.
- Operations Plan and Capacity
 - Impact of Having an Un-zoned/Choice School - SCS asserted that Green Dot does not understand the structural differences between and implications of operating a zoned school and un-zoned/choice school. As the SBE is aware, Green Dot operates both zoned and choice schools and understands the differences between the two models. In particular, the application discussed recruitment and enrollment plans at length. Given Green Dot's intention to increase access to high quality educational options in Whitehaven, it will focus its recruitment efforts in Whitehaven in partnership with community organizations and early education programs. However, Green Dot recognizes that the school is open to all students who would like to attend.
 - Impact of Multiple Authorizers - SCS asserted that Green Dot was not prepared for the structural implications of multiple authorizers. As the SBE is aware, Green Dot already has multiple authorizers and works closely with the Achievement School District and SBE to ensure its schools are in good standing with its authorizers and following all necessary policies and procedures.
- Financial Plan and Capacity
 - Financial Projections for Years 1-4 - SCS expressed concern over financial projections in years 1-4 of the proposed budget ending with negative fund balances. While Green Dot recognizes that there is a negative fund balance in the early years of the proposed budget, Green Dot is exploring ways to further lower costs by increasing efficiencies. We are also working with the United States Department of Education to utilize the Replication and Expansion funding Green Dot was already awarded to cover start-up costs for Green Dot Charter K-8. Green Dot is confident that at full scale, the school will have a positive financial condition.
 - Implications of Potential Shortfalls in Enrollment - SCS expressed a concern that lower than anticipated enrollment could have detrimental financial implications on the school. While Green Dot acknowledges that a decrease in enrollment would have a financial impact, Green Dot Tennessee has seen year over year increases in enrollment since opening its first school in 2014 and has the strength of a projected network surplus to buoy any temporary setbacks. Additionally, as SCS recognized, Green Dot has sound financial practices in place to ensure it spends resources responsibly. Green Dot closely monitors enrollment to inform hiring practices and only hires additional teachers and staff

members if the enrollment or academic need require said position. Additionally, if enrollment shortfalls are experienced once the school year has started, Green Dot undergoes a comprehensive contingency budget process and finds cost-savings to stay on track to meet its annual budget.

- Green Dot Network Financials - SCS noted that the Green Dot network cannot cover expenses as a result of enrollment shortfalls. Green Dot has created efficiencies and decreased costs to maintain a positive net income off of public funds in FY20 and expects to carry a surplus in future years, with projections for positive net incomes. Furthermore, Green Dot has consistently seen revenue growth outpace expense growth. Green Dot, along with the strength of Green Dot Public Schools National, is increasing its philanthropic base as we continue to grow our impact.
- Performance Record - SCS noted that although Green Dot's performance has increased over time, it is concerned about the network's consistency of performance and the capacity to open another school. As the SBE is aware, operating in a turnaround setting poses unique challenges to a school community, including high levels of transiency throughout the year and significantly low incoming scores. Despite this, Green Dot has seen improvement in proficiency, a reduction in dropout rates, and student level growth in English and Math. Furthermore, Green Dot now has two years of evidence of success of its independent school model. Bluff City High School received ratings of 5 on the TVAAS for two years in a row, exceeded state performance on the WIDA and celebrated high retention rates. Green Dot is confident that Green Dot Charter K-8 will be able to successfully implement the program articulated in its charter application, and will ultimately ensure that students enter high school on the track towards college, leadership and life. █

Lastly, SCS calls out the impact of opening another school in Whitehaven on SCS's financial condition. As an organization serving a high need population on the public dollar, Green Dot wholly understands the financial realities school districts face every day. However, Green Dot encourages SBE to consider first and foremost, the needs of students. Families in Whitehaven are being consistently under-served by the current options available to them. It is on behalf of the students of Whitehaven that we respectfully ask the SBE to approve our application to open Green Dot Charter K-8 and expand the opportunities available to the Whitehaven community.

We appreciate the opportunity to work collaboratively with the State Board of Education to meet the educational needs of the Whitehaven community.

Best,



Megan Quaile, Ed.D.
Executive Director
Green Dot Public Schools Tennessee